

[4310-MR-P]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for
Office of Management and Budget (OMB) Review; Comment
Request

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of an extension of a currently approved
information collection (OMB Control Number 1010-0090).

SUMMARY: To comply with the Paperwork Reduction Act (PRA)
of 1995, we are submitting to OMB for review and approval an
information collection request (ICR), titled "Stripper
Royalty Rate Reduction Notification." We are also
soliciting comments from the public on this ICR.

DATES: Submit written comments on or before [INSERT DATE 30
DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit written comments directly to the Office
of Information and Regulatory Affairs, OMB, Attention: Desk
Officer for the Department of the Interior (OMB Control
Number 1010-0090), 725 17th Street, NW, Washington, D.C.
20503. Also, submit copies of your written comments to
Carol Shelby, Regulatory Specialist, Minerals Management
Service, MS 320B2, P.O. Box 25165, Denver, Colorado 80225.

If you use an overnight courier service, our courier address is Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225. You may also submit your comments at our email address mrm.comments@mms.gov. Include the title of the information collection and the OMB control number in the "Attention" line of your comment. Also include your name and return address. Submit electronic comments as an ASCII file avoiding the use of special characters and any form of encryption. If you do not receive a confirmation that we have received your email, contact Ms. Shelby at (303) 231-3151 or FAX (303) 231-3385.

FOR FURTHER INFORMATION CONTACT: Carol Shelby, Regulatory Specialist, phone (303) 231-3151, FAX (303) 231-3385, email Carol.Shelby@mms.gov.

SUPPLEMENTARY INFORMATION:

Title: Stripper Royalty Rate Reduction Notification.

OMB Control Number: 1010-0090.

Bureau Form Number: Form MMS-4377.

Abstract: The Department of the Interior (DOI) is responsible for matters relevant to mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary of the Interior (Secretary) is responsible for managing the production of minerals from Federal and Indian lands and the OCS, collecting royalties from lessees who produce minerals, and

distributing the funds collected in accordance with applicable laws. The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. MMS performs the royalty management functions for the Secretary.

The Bureau of Land Management (BLM), the surface management agency for Federal onshore leases, grants royalty rate reductions to operators of stripper oil properties producing less than 15 barrels of oil per well-day (43 CFR 3103.4-1). The purpose of these royalty rate reductions is to encourage continued production, provide an incentive for enhanced oil recovery projects, discourage abandonment of properties producing less than 15 barrels of oil per well-day, and reduce the operator's expenses.

Because the royalty rate reductions affect the amount of revenues due the Federal Government, operators are required to notify MMS of the reduced royalty rate using Form MMS-4377, Stripper Royalty Rate Reduction Notification. The form requires identification of the operator, name of the contact person, lease and agreement numbers, calculated royalty rate, current royalty rate, qualifying period, and effective date of royalty rate reduction. MMS uses the information provided on the form to update our lease database with the royalty rates that are lower than those

reflected in the lease instrument. The reduced royalty rate becomes effective for all oil production from qualifying properties the first day of the month after MMS receives notification of the rate change.

MMS is requesting an extension of this information collection in order to continue to (1) receive notification of royalty rate reductions and (2) update our lease database with the correct royalty rates. Correct royalty rates are necessary to verify that the proper royalty amount has been paid on each lease.

Frequency: On occasion.

Estimated Number and Description of Respondents: 900 operators of low producing, stripper oil properties.

Estimated Annual Reporting and Recordkeeping "Hour"

Burden: 800 hours. See the following chart for a breakdown of the burden estimate.

Citation 43 CFR 3103.4-2	Reporting Requirement	Burden Hours Per Response	Annual Number of Responses	Annual Burden Hours
(b)(3)(iii)(B)	The lower of the two rates shall be used for the current period provided that the operator notifies the MMS of the new royalty rate. The new royalty rate shall not become effective until the first day of the month after MMS receives notification. Notification shall be received on Form MMS-4377	30 minutes per property	1,600 properties	800 hours
Total		30 minutes	1,600 properties	800 hours

Estimated Annual Reporting and Recordkeeping "Non-hour"

Burden: We have identified no "non-hour cost" burden.

Comments: Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3501, et seq.) requires each agency "* * * to provide notice * * * and otherwise consult with members of the public and affected agencies concerning each proposed collection of information * * *." Agencies must specifically solicit comments to: (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

To comply with the public consultation process, on April 6, 2001, we published a Federal Register notice (66 FR 18297) announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received one comment. We have responded to the comment in our ICR submission for OMB approval. We have posted a copy of the ICR at our Internet web site http://www.mrm.mms.gov/Laws_R_D/FRNotices/FRInfColl.htm. We will also provide a copy of the ICR to you without charge upon request.

If you wish to comment in response to this notice, send your comments directly to the offices listed under the **ADDRESSES** section of this notice. OMB has up to 60 days to approve or disapprove the information collection but may respond after 30 days. Therefore, to ensure maximum consideration, OMB should receive public comments by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE **FEDERAL REGISTER**]. The PRA provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Public Comment Policy: We will post all comments received in response to this notice on our Internet web site at http://www.mrm.mms.gov/Laws_R_D/InfoColl/InfoColCom.htm for public review. We also make copies of these comments, including names and addresses of respondents, available for public review during regular business hours at our offices in Lakewood, Colorado.

Individual respondents may request that we withhold their home address from the public record, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold from the public record a respondent's identity, as allowable by law. If you request that we withhold your name and/or address, state

this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

MMS Information Collection Clearance Officer: Jo Ann Lauterbach, (202) 208-7744.

Date

Lucy Querques Denett
Associate Director for
Minerals Revenue Management